

FISCAL NOTE

SB 518 - HB 1568

February 24, 1997

SUMMARY OF BILL: Exempts certain grocery products from the sales tax during the month of October 1997. Also provides that the Commissioners of Revenue, Health and Human Services shall prepare a report outlining the impact of such an exemption to be submitted to the Governor and the General Assembly. Exempted food items are:

Milk	Dried Beans
Bread	Dried Fruit
Fresh Eggs	Uncooked Rice
Frozen Orange Juice	Baby Food
Fresh Whole Potatoes	Baby Formula

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - Exceeds \$2,500,000 One Time
Decrease Local Govt. Revenue - Exceeds \$925,000 One Time

Assumes annual sales tax collections from all food items of approximately \$514,000,000, of which \$375,000,000 is state revenue and \$139,000,000 is local revenue. Assumes that the food items to be exempted represent approximately 8% of the total food products purchased and assumes an average local sales tax rate of 2.25%.

Assumes that the cost of producing a report by the commissioners named can be absorbed within the respective budgets.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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